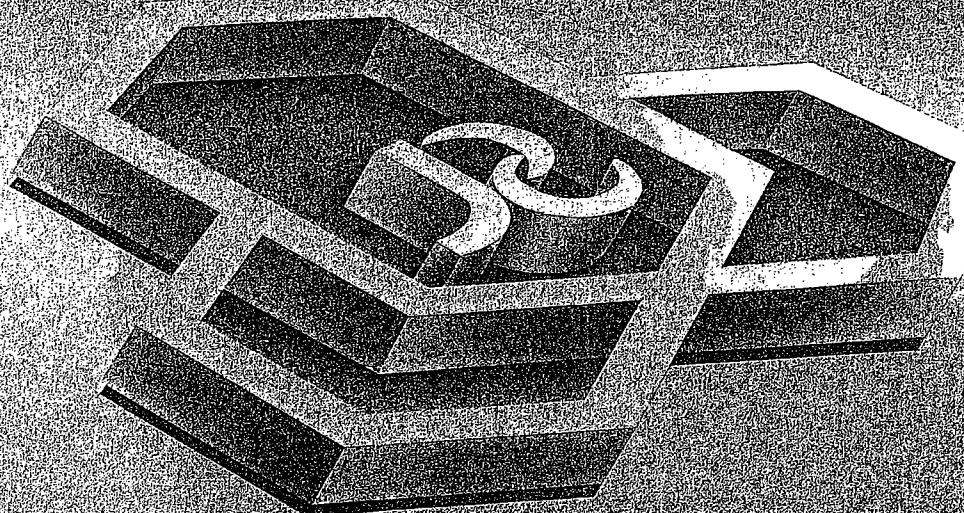


Exhibit 3

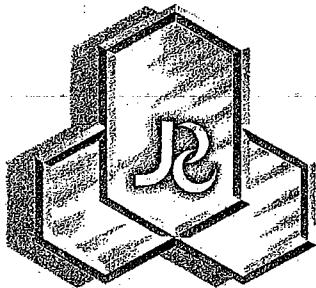
Part 1 of 9

AL RAJI BANKING & INVESTMENT CORPORATION



Annual Report (1408 & 1409) 1988

CENTRE FOR ARAB GULF STUDIES
UNIVERSITY OF EXETER



**AL RAJHI BANKING AND INVESTMENT CORPORATION
A SAUDI JOINT STOCK COMPANY**

HEAD OFFICE: P.O. BOX 28 RIYADH 11411

TELEPHONE 4054244 FAX 4032969

NO. AND DATE OF TRANSFER:

ROYAL DECREE NO M/59 DATED 3/11/1407H

PAID UP CAPITAL: SR 750,000,000

COMMENCEMENT DATE:

1/8/1408 H CORRESPONDING TO 19/3/1988

C.R. : 1010000096

REGIONAL OFFICE FOR MEDINAH & NORTH

**MANAGEMENT
NO. 007 Fax. 8387711 CENTRAL 8388068**

- 1 - AL-MANAKAH 105	17 - RAFAH 169	1 -
TEL. 04 8233092	TEL. 04 8760264	TEI
FAX. 04 8233916	FAX. 04 8761688	FA
- 2 - SAHAIM/MEDINA 152	18 - AL-WAIIH 171	2 -
TEL. 04 8234240	TEL. 04 4422884	JEI
FAX. 04 8244192	FAX. 04 4421673	FA
- 3 - AIRPORT ST. MEDINA 196	19 - TEEMA 178	3 -
TEL. 04 8361035	TEL. 04 4632946	TEI
FAX. 04 8386675	FAX. 04 4633030	FA
- 4 - QOBA/MEDINA 218	20 - AL-ULLA 208	12 -
TEL. 04 8236125	TEL. 04 8840363	TEI
FAX. 04 8269689	FAX. 04 8840359	FA
- 5 - BAB AL-ANBRIYAH 242	21 - DOMAT-AL-JANDAL 213	4 -
TEL. 04 8243349	TEL. 04 6223414	TEI
FAX. 04 8222121	FAX. 04 6221470	FA
- 6 - AL-MEDINA (WOMEN BRANCH) 272	22 - HAQL 224	5 -
TEL. 04 8269808	TEL. 04 4530600	TE
FAX. 04 8236925	FAX. 04 4530584	FA
- 7 - MEDINA HOSPITAL 294	23 - BADR 230	6 -
TEL. 04 8230372	TEL. 04 3321747	JE
FAX. 04 8230372	FAX. 01 3321743	TE
- 8 - TABOUK 108	24 - AMLAJ 244	7 -
TEL. 04 4221544	TEL. 04 3822324	JE
FAX. 04 4229780	FAX. 04 3822328	TE
- 9 - AL-AMARAH ST. 194	25 - KHAIBER 248	FA
TEL. 04 4221864	TEL. 04 8821137	8 -
FAX. 04 4226760	FAX. 04 8821827	TE
- 10 - AL-MAHRAJAN/TABOUK 202	26 - TABARJAL 250	9 -
TEL. 04 4227060	TEL. 04 6281209	TE
FAX. 04 4227060	FAX. 04 6281638	FA
- 11 - YANBU 150	27 - AL-HUDAITHA 268	10 -
TEL. 04 3222683	TEL. 04 6424872	TE
FAX. 04 3226246	FAX. 04 6424872	FA
- 12 - AL-HAIN AL-MALAKIAH/ YANBU 327	28 - AL-HANAKIYAH 269	11 -
TEL. 04 3211107	TEL. 04 8620132	TE
FAX. 04 3211042	FAX. 04 8620467	FA
- 13 - AL-GURYAT 111	29 - DHABA NORTH 283	12 -
TEL. 04 6420235	TEL. 04 4322867	TE
FAX. 04 6420013	FAX. 04 4320472	FA
- 14 - ARAR 133	30 - AL-MAHD 286	13 -
TEL. 04 6631876	TEL. 04 8681054	TE
FAX. 04 6624120	FAX. 04 8681988	FA
- 15 - AL-JOUF 154	31 - AL-YATAMAH 313	14 -
TEL. 04 6246764	TEL. 04	S1
FAX. 04 6241192	FAX. 04	TE
- 16 - TARIF 165	16 -	FA
TEL. 04 6521880	17 -	15
FAX. 04 6520840	18 -	TE
	19 -	FA
	20 -	16
	21 -	TE
	22 -	F1
	23 -	17
	24 -	TE
	25 -	FA
	26 -	18
	27 -	TE
	28 -	F1
	29 -	19
	30 -	TE
	31 -	FA

REGIONAL OFFICE FOR RIYADH AND SUBSIDIARIES

REGIONAL OFFICE FOR SOUTHERN REGION

MANAGEMENT
NO. 003 Fax. 4044631 Telephone 4043965

MANAGEMENT
NO. 008 Fax. 07 2243138 CENTRAL 07
2224191

1 - DIRA 101
TEL. 01 4114029
FAX. 01 4117517

2 - BATHA 106
TEL. 01 4122243
FAX. 01 4120510

3 - K. FAISAL SP. HOSPITAL
114
TEL. 01 441 4709
FAX. 01 4414719

4 - TRADING CENTRE 116
TEL. 01 4035711
FAX. 01 4011150

5 - DAHRAN ST. 125
TEL. 01 4783615
FAX. 01 4783343

6 - AL-MALAZ 126
TEL. 01 4769984
FAX. 01 4768713

7 - KING FAISAL ST. 127
TEL. 01 4010541
FAX: 01-4040308

8 - AL-NASRIYAH 131
TEL. 01 4013570
FAX. 01 4032464

9 - HIJAS ROAD 140
TEL. 01 4580506
FAX. 01 4596932

10 - AL-SUWAILIM 143
TEL. 01 4043608
FAX. 01 4043608

11 - AL-SANAEYAH 149
TEL. 01 4484102
FAX. 01 4463041

12 - CENTRAL HOSP. 159
TEL. 01 4357888
FAX. 01 4357877

13 - SAHAT AL-ADEL 164
TEL. 01 4013761
FAX. 01 4013576

14 - AL-NASEEM 165
TEL. 01 2313576
FAX. 01 2313057

15 - AL-OLEYA 166
TEL. 01 4657084
FAX. 01 4657101

16 - AL-MOQAIBRAH 168
TEL. 01 4013602
FAX. 01 4055017

17 - KING KHALID INTL.
AIRPORT 173
TEL. 01 2202571
FAX. 01 2202592

18 - AL-MARGAB 174
TEL. 01 4468126
FAX. 01 4461554

19 - MANFOUHA 179
TEL. 01 4467841
FAX. 01 4481046

20 - AL-MUNTAZAH/RIYADH
182
TEL. 01 4011432
FAX. 01 4050747

21 - AL-KHAZAN ST./RIYADH
185
TEL. 01 4027231
FAX. 01 4041673

22 - DAWWAR AL-SHIMAISI
"WOMEN' BRANCH" 188
TEL. 01 4357854
FAX. 01 4359580

23 - SULTANAH/RIYADH 185
TEL. 01 4582584
FAX. 01 4591011

24 - AL-IMAM F. BIN TURKI
ST./RIYADH 197
TEL. 01 4124009
FAX. 01 4123426

25 - AL-MA'AZAR/RIYADH
200
TEL. 01 4420729
FAX. 01 4421038

26 - SULAIMANIYAH/RIYADH
203
TEL. 01 4658270
FAX. 01 4646670

27 - AL-RAWDAH/RIYADH
204
TEL. 01 4915184
FAX. 01 4914331

28 - MUSHRIFA/RIYADH 211
TEL. 01 4771555
FAX. 01 4780949

29 - HARAT AL-ONOUZ/
RIYADH 215
TEL. 01 4488204
FAX. 01 4465780

30 - AL-SHIFAH/RIYADH 216
TEL. 01 4216156
FAX. 01 4213592

31 - PRINCE SALMAN ST.
229
TEL. 01 4461449
FAX. 01 4462547

32 - HARAT ABDULLAH 231
TEL. 01 4590162
FAX. 01 4572647

33 - UM AL-HAMMAM 251
TEL. 01 4821982
FAX. 01 4824451

34 - AL-SABALAH 253
TEL. 01 4111520
FAX. 01 4116109

35 - AIRPORT ROAD 260
TEL. 01 4778057
FAX. 01 4786740

36 - PRINCE ABDULLAH ST.
281
TEL. 01 4794432
FAX. 01 4793067

37 - AL-THALATEEN
AL-OLAYA ST. 279
TEL. 01 4831450
FAX. 01 4652398

38 - DHARAT AL-BADEYA
282
TEL. 01 4259852
FAX. 01 4260547

39 - AL-AHSA ST. 289
TEL. 01 4789298
FAX. 01 4766982

40 - KING KHALED
SPECIALIST HOSPT. 292
TEL. 01 4821234
FAX. 01 4821234

41 - GOBEIRAH 293
TEL. 01 4469200
FAX. 01 4467288

42 - RABWAH 296
TEL. 01 4911913
FAX. 01 4917458

43 - AL-OLEYA WOMEN
BRANCH 317
TEL. 01 4643210
FAX. 01 4643210

44 - AL-KHARJ 129
TEL. 01 5448255
FAX. 01 5449876

45 - WADI AL-DAWASSIR
135
TEL. 01 7841096
FAX. 01 7840062

46 - AL-AFLAJ 142
TEL. 01 6820520
FAX. 01 6821358

47 - HOTAT BANI TAMIM
144
TEL. 01 5550300
FAX. 01 5550398

48 - SHAGRA 145
TEL. 01 6221639
FAX. 01 6220698

49 - AL-GOWAYEEYAH 147
TEL. 01 6521090
FAX. 01 6521638

50 - MURRAT 217
TEL. 01 6231344
FAX. 01 6231335

51 - AL-MUZHIMIA 219
TEL. 01 5230040
FAX. 01 5230979

52 - HURAIMLA 228
TEL. 01 5260300
FAX. 01 5260284

53 - AL-SAHNAH 233
TEL. 01 5410691
FAX. 01 5410725

54 - AL-HAIR 237
TEL. 01 4900908
FAX. 01 4900209

55 - SULAYEH 245
TEL. 01 7821833
FAX. 01 7821600

56 - RUMAH 278
TEL. 01 5521183
FAX. 01 5521108

57 - AL-DARIYAH 281
TEL. 01 4861420
FAX. 01 4861526

58 - DURMA 284
TEL. 01 5221014
FAX. 01 5221210

49 - THAQIQ 285
TEL. 01 4439653
FAX. 01 4439287

60 - ASHAIGAR 287
TEL. 01 6271685
FAX. 01 6271585

61 - AL-QYEYNAH 303
TEL. 01 4657800
FAX. 01 4657600

62 - AL-KHAIDAH ROAD 305
TEL. 01 5443067
FAX. 01 5443006

63 - AL-HARIQ 309
TEL. 01 6370801
FAX. 01 5370177

64 - TOMAIR 318
TEL. 06 4437412
FAX:

1 - KHAMIS MUSHAIT 107
TEL. 07 2237425
FAX. 07 2237426

2 - MEDINA ASKARIYAH
RD/KH. MUSHAIT 209
TEL. 07 2231331
FAX. 07 2230063

3 - NAJRAN 117
TEL. 07 5421319
FAX. 07 5421994

4 - FAISALIYAH/NAJRAN 205
TEL. 07 6223581
FAX. 07 6221217

5 - ABHA 110
TEL. 07 2247563
FAX. 07 2247589

6 - JIZAN 119
TEL. 07 3221507
FAX. 07 3221506

7 - BEESHA 130
TEL. 07 6226167
FAX. 07 6226670

8 - BALGURASHI 156
TEL. 07 7224412
FAX. 07 7223044

9 - AL-BAHA 177
TEL. 07 7251087
FAX. 07 7253139

10 - AL-NAMMAS 193
TEL. 07 2820051
FAX. 07 2820752

11 - DHARHAN AL-JANOUB
220
TEL. 07 2550471
FAX. 07 2550592

12 - SABIA 221
TEL. 07 3261108
FAX. 01 3261104

13 - ABU AREESH 225
TEL. 07 3250961
FAX. 07 3260042

14 - MAHAR 239
TEL. 07 2251748
FAX. 07 2251748

15 - SHAROURAH 241
TEL. 07 5321243
FAX. 07 5321242

16 - SARAT ABEEDAH 249
TEL. 07 2590336
FAX. 07 2590576

17 - SABT AL-AULA-YA 257
TEL. 07 6300544
FAX. 07 6300008

18 - BAISH 311
TEL. 07 3420214
FAX. 07 3420924

19 - TANOUmah 295
TEL. 07 2827365
FAX. 07 2827382

20 - SAMTAH 316
TEL. 07 3321301
FAX. 07 3321220

21 - AL-MAJARDAH 321
TEL. 07 7

22 - TATHLEETH 276
TEL. 07 7

23 - BEESHA 130
TEL. 07 6226167
FAX. 07 6226670

24 - BALGURASHI 156
TEL. 07 7224412
FAX. 07 7223044

25 - AL-BAHA 177
TEL. 07 7251087
FAX. 07 7253139

26 - DHARHAN AL-JANOUB
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TEL. 07 2550471
FAX. 07 2550592

27 - SABIA 221
TEL. 07 3261108
FAX. 01 3261104

28 - ABU AREESH 225
TEL. 07 3250961
FAX. 07 3260042

29 - MAHAR 239
TEL. 07 2251748
FAX. 07 2251748

30 - SHAROURAH 241
TEL. 07 5321243
FAX. 07 5321242

REGIONAL OFFICE FOR SOUTHERN REGION

REGIONAL OFFICE FOR EASTERN REGION

REGIONAL OFFICE FOR MEDINAH & NORTH

MANAGEMENT NO. 008 Fax. 07 2243136 CENTRAL 07 2242191	MANAGEMENT NO. 004 Fax. 03 8275068 CENTRAL 03 8261659	MANAGEMENT NO. 007 Fax. 8387711 CENTRAL 8388068
1 - KHAMIS MUSHAIT 107 TEL. 07 2237426 FAX. 07 2237426	16 - SARAT ABEEDAH 249 TEL. 07 2590336 FAX. 07 2590575	1 - DAMMAM MAIN ST. 104 TEL. 03 8346189 FAX. 03 8323943
2 - MEDINA ASKARIYAH RD/KH. MUSHAIT 209 TEL. 07 2231331 FAX. 07 2230063	17 - SABT AL-AULA-YA 257 TEL. 07 6300544 FAX. 07 6300008	17 - DHARAHAN AIRPORT 184 TEL. 03 8792150 FAX. 03 8919448
3 - NAJRAH 117 TEL. 07 5421319 FAX. 07 5421994	18 - BAISH 311 TEL. 07 3420214 FAX. 07 3420924	2 - KING FAHAD ST./ DAMMAM 153 TEL. 03 8275725 FAX. 03 8261951
4 - FAISALIYAH/NAJRAH 205 TEL. 07 5223581 FAX. 07 5221217	19 - TANOUmah 295 TEL. 07 2827365 FAX. 07 2827382	19 - PRINCE BANDAR / KHUBAR 207 TEL. 03 8640820 FAX. 03 6947620
5 - ABHA 110 TEL. 07 2247553 FAX. 07 2247589	20 - SAMTAH 316 TEL. 07 3321301 FAX. 07 3321220	19 - AL-BURJ BLDG 227 TEL. 03 8640122 FAX. 03 6640124
6 - JIZAN 119 TEL. 07 3221507 FAX. 07 3221506	21 - AL-MAJARDAH 321 TEL. 07 FAX. 07	20 - AL-AGRABIYAH/ ALKHOBAR 301 TEL. 03 8980167 FAX. 03 8943985
7 - BEESHA 130 TEL. 07 6226167 FAX. 07 6226670	22 - TATHLEETH 276 TEL. 07 FAX. 07	21 - AL-KHOBAR AL-JANOBIYA 302 TEL. 03 8985840 FAX. 03 8986088
8 - BALGURASHI 156 TEL. 07 7224412 FAX. 07 7220344	23 - MUKHATAT 8/DAMMAM 300 TEL. 03 8428924 FAX. 03 8429009	6 - MAIN HOSPITAL/DAMMAM 273 TEL. 03 8421666 FAX. 03 8425742
9 - AL-BAHA 177 TEL. 07 7251087 FAX. 07 7263139	8 - DAMMAM "WOMEN BIBRANCH" 315 TEL. 03 8338071 FAX. 03 8338071	22 - RAHEEMAH 183 TEL. 03 6671685 FAX. 03 6671685
10 - AL-NAMMAS 193 TEL. 07 2820051 FAX. 07 2820752	9 - HAFOUF 128 TEL. 03 5826928 FAX. 03 5886926	23 - AL-KHAFJI 187 TEL. 03 7660794 FAX. 01 7660759
11 - DHAHRAN AL-JANQUB 220 TEL. 07 2650471 FAX. 07 2550592	10 - MUBARAZ/HASA 210 TEL. 03 5826595 FAX. 03 6878660	24 - HAFR AL-BATTIN 136 TEL. 03 7224628 FAX. 03 7221544
12 - SABIA 221 TEL. 07 3261108 FAX. 01 3261104	11 - KING FAHAD HOSPITAL/ HASA 277 TEL. 03 5829844 FAX. 03 5829822	25 - ABQIQ 148 TEL. 03 5660368 FAX. 03 5662770
13 - ABU AREESH 225 TEL. 07 3250961 FAX. 07 3250042	12 - AL-MAZROU'EYAH 308 TEL. 03 5866798 FAX. 03 5826609	26 - AL-QATIF 172 TEL. 03 8556708 FAX. 03 8540935
14 - MAHAIL 239 TEL. 07 2251748 FAX. 07 2251748	13 - AL-JUBAIL 146 TEL. 03 3613848 FAX. 03 3610490	27 - SAIHAT 255 TEL. 03 8562130 FAX. 03 8562130
15 - SHAROURAH 241 TEL. 07 5321243 FAX. 07 5321242	14 - AL-HAJJA'H ALMALAKIYA/JUBAIL 329 TEL. 03 3412748 FAX. 03 3412796	28 - SALWA 256 TEL. 03 5822652 FAX. 03 5822652
	15 - AL-KHOBAR 139 TEL. 03 8649468 FAX. 03 8649482	29 - SAFWAH 287 TEL. 03 6643342 FAX. 03 6642413
	16 - AL-THUGBA 157 TEL. 03 8948480 FAX. 03 8947608	30 - AIN DAR 304 TEL. 03 5631246 FAX. 03 5631463
		31 - AL-NA'IRIYAH 306 TEL. 03 3731376 FAX. 03 3730620
		32 - GARYAH 307 TEL. 03 3861976 FAX. 03 3861985
		13 - AL-GURAYAH 111 TEL. 04 6420235 FAX. 04 6420013
		14 - ARAR 133 TEL. 04 6631876 FAX. 04 6624120
		15 - AL-JOUF 154 TEL. 04 6246764 FAX. 04 6241192
		16 - TARIF 155 TEL. 04 6521980 FAX. 04 6520840
		17 - TEL FAX
		18 - TEL FAX

REGIONAL OFFICE FOR WESTERN REGION

MANAGEMENT

NO. 002 Fax. 6441000 CENTRAL 6441000

REGIONAL OFFICE FOR GASEEM & HAIL AREA

MANAGEMENT

NO. 005 Fax. ACCOUNTING - 3249794

RATES 3-822610 CENTRAL 3246648 -

3249151

1 - QOBEL STREET 102

TEL. 02 6476196

FAX. 02 6420334

2 - MECCA ROAD KILO 2/

JEDDAH 113

TEL. 02 6314494

FAX. 02 6316514

3 - BAB SHARIF/ JEDDAH

123

TEL. 02 6474869

FAX. 02 6474989

4 - BAB MECCA/JEDDAH 124

TEL. 02 6433049

FAX. 02 6447798

5 - AL-SHARAFIYAH 156

TEL. 02 6532916

FAX. 02 6533168

6 - KING ABDUL AZIZ ST./

JEDDAH 161

TEL. 02 6447674

FAX. 02 6434021

7 - AL-MAHJAR ROAD/

JEDDAH 163

TEL. 02 6372067

FAX. 02 6367991

8 - UNIVERSITY ROAD 176

TEL. 02 6895946

FAX. 02 6895938

9 - BANI MALIK 180

TEL. 02 6713280

FAX. 02 6718817

10 - AL-SABEEL ST. 186

TEL. 02 6479866

FAX. 02 6481745

11 - BIN LADIN ST. 189

TEL. 02 6800014

FAX. 02 6800300

12 - KING FAHAD ST.

"WOMEN BRANCH" 181

TEL. 02 6711024

FAX. 02 6711024

13 - AL-RUWESS 206

TEL. 02 6518276

FAX. 02 6515572

14 - AL-ESKAN AL-JANOBI

ST. 222

TEL. 02 6373159

FAX. 02 6361004

15 - MEDINA ROAD 223

TEL. 02 6655822

FAX. 02 6650791

16 - ENAIKSH 235

TEL. 02 6717067

FAX. 02 6717067

17 - AL-HINDAWIYAH 240

TEL. 02 6474175

FAX. 02 6477314

18 - AL-BIGDADIYAH 243

TEL. 02 6424257

FAX. 02 6422186

19 - KING ABDUL AZIZ

AIRPORT 289

TEL. 02 7496030

FAX. 02 7463120

20 - HAI AL-SALAMAH/

JEDDAH 314

TEL. 02 6833554

FAX. 02 6833554

21 - MIDAN FALASTEEN/

JEDDAH 319

TEL. 02 6852047

FAX. 02 6851075

22 - AL-MAKARONA ST. 320

326

TEL. 02 6720342

FAX. 02 6720731

23 - BAHRAT

AL-MUJAHIDEEN 322

TEL. 02 5911445

FAX. 02 5911445

24 - QASHASHIYA/ MECCA

103

TEL. 02 5745696

FAX. 02 5721391

25 - AL-HUJOUN/MECCA

141

TEL. 02 5742295

FAX. 02 5733533

26 - AL-AZZIYAH/MECCA

201

TEL. 02 5581172

FAX. 02 5581156

27 - AL-OTAIBIYAH/ MECCA

228

TEL. 02 5440309

FAX. 02 5440224

28 - AL-SITTEEN ST./

MECCA 246

TEL. 02 5447253

FAX. 02 5447314

29 - AL-SHUBAIKA/MECCA

262

TEL. 02 5724023

FAX. 02 5745068

30 - AL-MESFAHAL/ MECCA

330

TEL. 02 5345690

FAX. 02 5348342

31 - AZIZIYAH/TAIF 112

TEL. 02 7366266

FAX. 02 7333340

32 - AL-SHUHADA/ TAIF 199

TEL. 02 7496030

FAX. 02 7463120

33 - AL-FAISALIYAH/ TAIF

232

TEL. 02 7382960

FAX. 02 7352326

34 - MADRASAT

AL-SEYANAH/ TAIF 266

TEL. 02 7365964

FAX. 02 7365984

35 - HAWIYAH ROAD/ TAIF

326

TEL. 02 7253307

FAX. 02 7254555

36 - TAIF "WOMEN

BRANCH" 328

TEL. 02 7334907

FAX. 02 7362505

37 - RANYAH 181

TEL. 02 8321036

FAX. 02 8421210

38 - RABIG 247

TEL. 02 7321264

FAX. 02 7321260

39 - AL-KHURMA 254

TEL. 02 8321653

FAX. 02 8321263

40 - AL-GUNFUZA 263

TEL. 02 7321264

FAX. 02 7321260

41 - AL-TURBAH 284

TEL. 02 8221608

FAX. 02 8221808

42 - AL-LAYTH 270

TEL. 02 7421209

FAX. 02 7421217

43 - AL-KAMIL 323

TEL.

FAX.

44 - AL-JAMOUM/ WADI

FATMA 324

TEL. 02 5940367

FAX. 02 5941103

45 - AL-RASS/AL-RASS 280

TEL. 02 3335381

FAX. 02 3332960

46 - HAZM/AL-RASS 287

TEL. 02 3330033

FAX. 02 3333584

47 - AL-KHABRA 265

TEL. 02 5322855

FAX. 02 5322873

48 - AL-SEEEYAH 238

TEL. 02 3450360

FAX. 02 3450370

49 - RIYADH AL-KHUBRA

175

TEL. 02 3440404

FAX. 02 3340445

50 - AL-MUZNIB 151

TEL. 02 3420160

FAX. 02 3420079

51 - HOTAT SUDAIR 180

TEL. 02 4431080

FAX. 02 4431027

52 - AL-BADAYE 167

TEL. 02 3320780

FAX. 02 3320073

53 - ONAIZAH 120

TEL. 02 3841037

FAX. 02 3843537

54 - AL-SAJER 196

TEL. 02 6321810

FAX. 02 6321913

55 - AL-GHAT 214

TEL. 02 4421455

FAX. 02 4421117

56 - AL-SHAMASIYAH 287

TEL. 02 3401501

FAX. 02 3401301

57 - AYON AL-JAWA 288

TEL. 02 3911575

FAX. 02 3911786

16 - ENAIKSH 235

TEL. 02 6717067

FAX. 02 6717067

17 - AL-HINDAWIYAH 240

TEL. 02 6474175

FAX. 02 6477314

18 - AL-BIGDADIYAH 243

TEL. 02 6424257

FAX. 02 6422186

19 - AL-SABEEL ST. 186

TEL. 02 6479866

FAX. 02 6481745

20 - BIN LADIN ST. 189

TEL. 02 6800014

FAX. 02 6800300

21 - KING FAHAD ST.

TEL. 02 6711024

FAX. 02 6711024

22 - MEDINA ROAD 223

TEL. 02 6655822

FAX. 02 6650791

23 - ENAIKSH 235

TEL. 02 6717067

FAX. 02 6717067

24 - AL-HINDAWIYAH 240

TEL. 02 6474175

FAX. 02 6477314

25 - AL-BIGDADIYAH 243

TEL. 02 6424257

FAX. 02 6422186

26 - ENAIKSH 235

TEL. 02 6717067

FAX. 02 6717067

27 - AL-HINDAWIYAH 240

TEL. 02 6474175

FAX. 02 6477314

28 - AL-SHAMASIYAH 287

TEL. 02 3401501

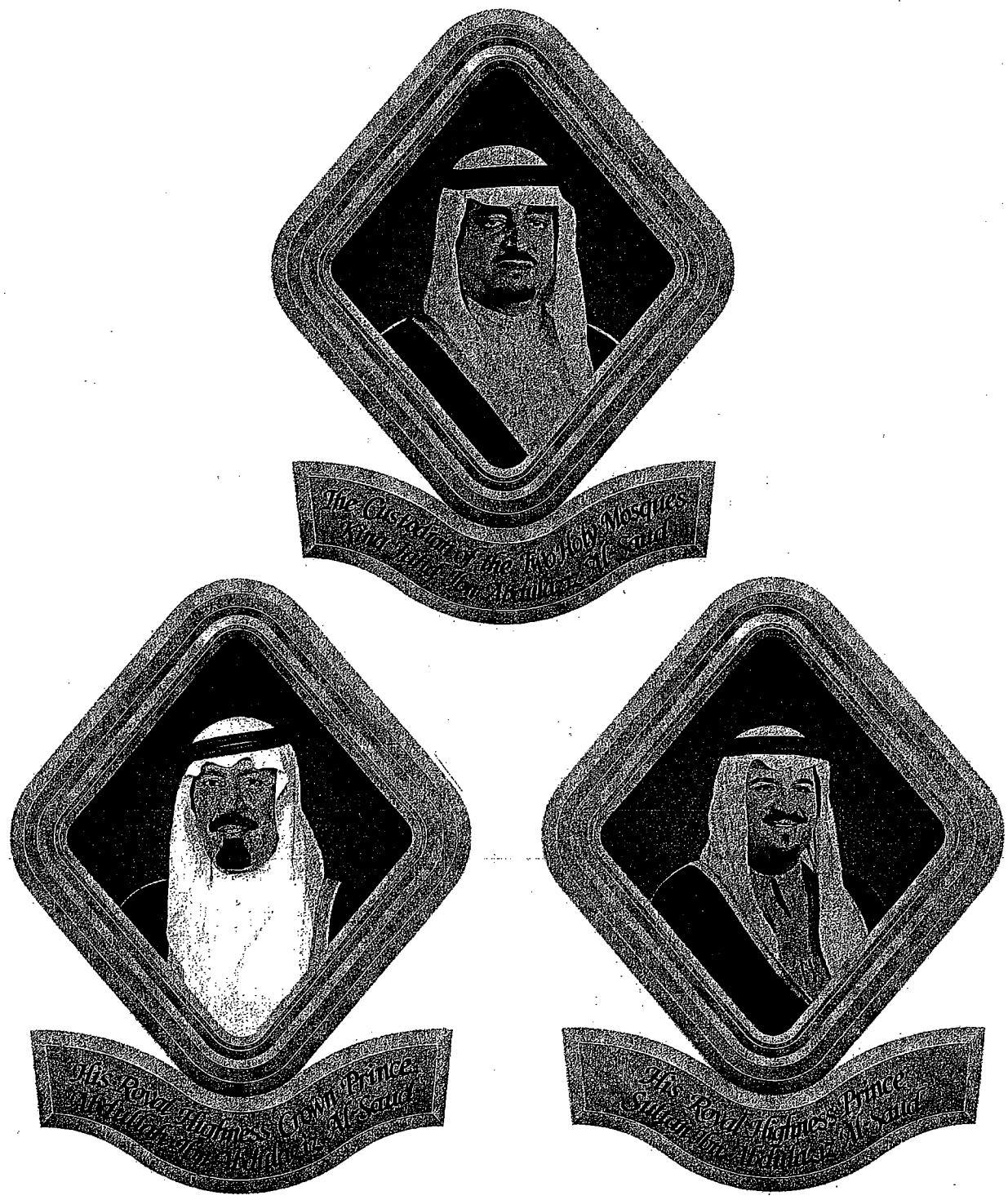
FAX. 02 3401301

29 - AYON AL-JAWA 288

TEL. 02 3911575

FAX. 02 3911786





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BOARD OF DIRECTORS

Sheikh Saleh Ibn Abdul Aziz Al Rajhi
CHAIRMAN

Sheikh Sulaiman Ibn Abdul Aziz Al Rajhi
GENERAL MANAGER AND MANAGING DIRECTOR

MEMBERS

Sheikh / Abdullatif Ibn Abdul Aziz Al Rajhi
Sheikh / Ismail / Ali Sulaiman / Abu Dawa
Sheikh / Abdul Wahab Mohamed / Saleh Sheikh
Sheikh / Sulaiman Al Mohamed Al Rasheed
Dr. / Abdullatif bin Naser Bin Mohamed Al Wahaib
Engineer / Salah Ali Abdullah / Abu Al Khalil
Sheikh / Mohamed Bin Abdul Aziz Al Rajhi
Sheikh / Ali Bin Mohamed Bin Abdullah Al Rajhi
Sheikh / Abdu Rahman Bin Abdullah Bin Odeil
Ustaz / Mohamed bin Abdullah Bin Abdul Aziz Al Rajhi
Ustaz / Saleh Bin Sulaiman Bin Abdul Aziz Al Rajhi
Ustaz / Sulaiman Bin Saleh bin Abdul Aziz Al Rajhi
Sheikh / Mohamed Bin Osman Bin Ahmed Al Bishri
Ustaz / Naser Bin Mohamed Al Subai

EXECUTIVE COMMITTEE

Sheikh / Sulaiman Ibn Abdul Aziz Al Rajhi
Engineer / Salah Ali Abu Al Khalil
Sheikh / Abdurrahman Bin Abdullah Bin Odeil

CERTIFIED PUBLIC ACCOUNTANTS

A. PASHID

WHINNEY MURRAY & CO.

BOARD OF DIRECTORS' REPORT

TO THE SHAREHOLDERS OF AL RAJHI BANKING AND INVESTMENT CORPORATION

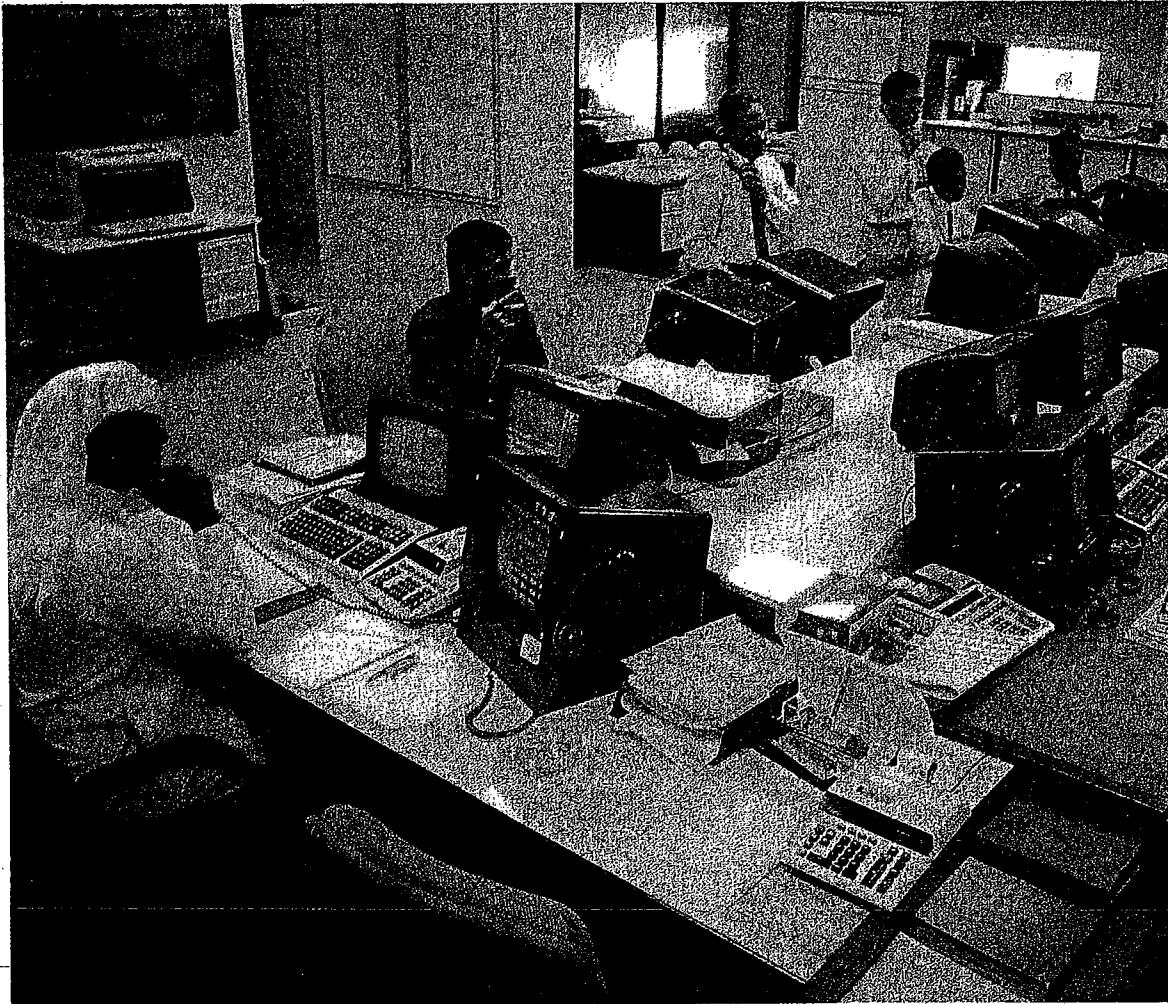
Dear Brothers,

The board of directors is pleased to provide you with its First Annual Report on the Corporation's activities and its financial statements for the fiscal period which commenced on 1.8.1408H corresponding to 19 March 1988 and ended on 31 December 1988. This period is nine months and 13 days. The Corporation started to perform its banking and investment activities after the issuance of Royal Decree No. M/59 dated 3.11.1407H, the resolution of the Council of Ministers No. 245 dated 26.10.1407H to license the formation of the Corporation, the resolution of the Ministry of Finance and National Economy No. 3/1698 dated 6.7.1408H to license the Corporation and the resolution of His Excellency the Minister of Commerce No. 319 dated 5.4.1409H to announce the formation of the Corporation.

The Corporation has now become one of the Saudi banking family to perform its hopeful task in developing and investing its resources to support the development of our beloved Kingdom guided by the beliefs and principles of this peaceful country.

It is clear enough dear brothers, the shareholders, that the replacement of Al-Rajhi Company for Currency Exchange and Commerce by Al-Rajhi Banking and Investment Corporation has taken considerable efforts and time. Conversion of a Corporation of that vast size, with its extended relationships with its correspondents and with its local and international status has required enormous efforts. On this occasion, the board expresses its deep gratitude to the members of the valuation committee, the auditors - Abdul Aziz Al Rashed office and Whinney Murray & Co. office-who have made distinguished efforts of patience and sacrifices of time and effort. If such patience and efforts had not been made, the transfer could have never been completed in such a relatively short time. May Allah reward them. Thanks are also expressed to the finance department of Al-Rajhi Banking and Investment Corporation headed by the First Deputy General Manager and his Assistant, Mohammed Alawi Theban, who have continued work during holidays and week ends to respond to the requirements of the valuation committee and the auditors. As a matter of fact, if such efforts had been made by a specialized body, as is the case in some such circumstances, the Corporation would have incurred tens of millions of Riyals and the time spent would have been much more.

The board also expresses thanks and appreciation to the brothers Saleh, Abdullah, Sulaiman and Mohammed Abdul Aziz Al-Rajhi, the partners of Al-Rajhi Company for Currency Exchange and Commerce for their efforts in the banking business, the result of which was the formation of this blessed Corporation.



FINANCIAL RESULTS :

BALANCE SHEET TOTAL :

The balance sheet total for the Corporation as a whole including contra accounts amounted to SR 31,963.4 millions at 31 December 1988.

Total assets amounted to SR 15,045.9 millions: The totals of cash in hand, deposits with SAMA, due from banks and precious metals amounted to SR 2,319.1 millions at 31 December 1988.

INVESTMENTS IN MURABAHA :

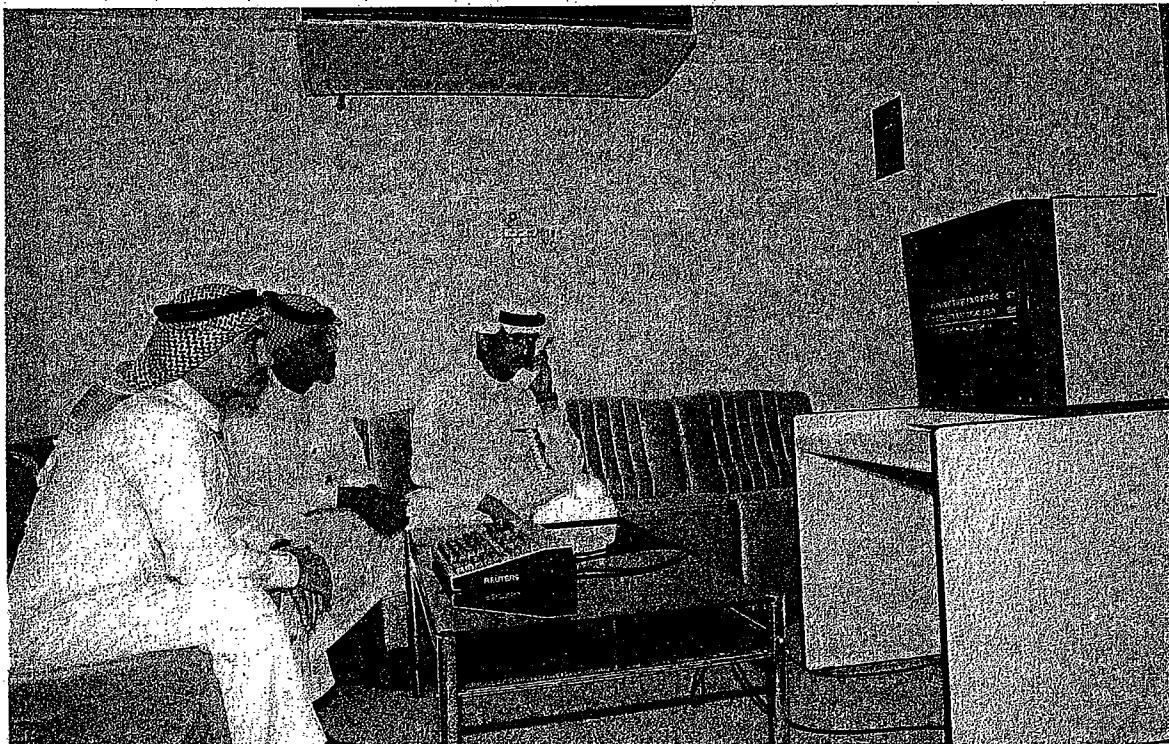
The Corporation has continued making arrangements with highly reputable international institutions that have strong financial positions to enter into Murabaha contracts. When negotiating, the Corporation is careful to act as an intermediary merchant which buys goods or merchandize from an independent supplier, settle its value immediately and then sells them to a third party on a deferred settlement basis which is compatible with normal trading practices taking into account the Corporation's articles of association. The total invested funds in Al Murabaha operations in the Kingdom and abroad amounted to SR 11,757.2 millions at 31 December 1988.

CUSTOMERS' CREDIT CURRENT ACCOUNTS :

The total customers' credit current accounts amounted to SR 11,823.8 millions.

MUDARABA FUNDS :

The Corporation carries out Mudaraba operations on behalf of customers. This appears in the contra accounts. The Corporation earns fees against such operations. The balances amounted to SR 726.2 millions at 31 December 1988.



**REVENUES, EXPENSES, LOSSES, PROFITS AND
RESOLUTION OF DISTRIBUTION :**

Total revenues of the Corporation for the fiscal period from 19 March 1988 to 31 December 1988 i.e. nine months and 13 days, amounted to SR 859.8 millions. Total expenses amounted to SR 271.5 millions. Net profit amounted to SR 588.2 millions. The board has decided to distribute a sum of SR 112.5 millions to the shareholders which amounts to SR 15 per share i.e. with an annual percentage of 19%.

The following schedule shows the distribution of net profits :

1) General Reserve	SR 250.00 millions
2) Statutory Reserve	SR 147.00 millions
3) Proposed dividends	SR 112.50 millions
4) Retained earnings	SR 78.70 millions



MAN POWER :

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The management of the Corporation makes its best efforts to develop human resources. Amongst other things, the success and development of the banking business depends upon the development, improvement and interaction of the human factor which is one of the means by which the management of the Corporation hopes to achieve success through selection of individuals, with distinguished skills and capabilities, who can cope with the developments, changes, improvements and expansion of modern banking services.

of efficient Saudi youth for leading positions. With the help of Allah and the efforts made, we can proudly say that the Saudi youth are holding leading decision making positions in the Corporation.

Total Number of Employees		
1986 — 1988		
Year	1986	1987
Number of Employees	3525	3968

The Corporation has availed opportunities to the sons of this beloved Kingdom to be employed in all departments. It also gives priority to the appointment



1 of net
millions
millions
millions
millions

TRAINING :

The management of the Corporation gives special consideration to training staff after they take up employment. The Corporation has a main training centre in Riyadh and other training centres in Jeddah and Dammam which have been specially established for this purpose. These centres conduct courses which suit all grades of staff, according to each one's level. Teaching of the English language is also conducted

in these centres. These are in addition to deputation of some Saudi employees to participate in training courses conducted by the Institute of Public Administration and the Saudi Arabian Monetary Agency's bank Training Institute which conducts several specialized courses in the banking field.

